



## GOVERNMENT'S ROLE IN PROMOTING CONSUMER EDUCATION - AN EMPIRICAL ASSESSMENT WITH SPECIAL REFERENCE TO STATE OF KARNATAKA, INDIA

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### Abstract

An educated consumer is always considered to protected consumer. If consumer education endeavors does not follow a logical approach, any amount of efforts will not bring desired results. Authors in this paper focus on five critical components of consumer education i.e. (1) assessing the existing situation (2) developing resources and making necessary preparations/plan for consumer education (3) disseminating all pertinent / relevant information (4) evaluating the effectiveness of consumer education endeavors carried out in the state (5) associating / collaborating with concerned stakeholders. The State of Karnataka does not score well in all these five areas. An exhaustive plan integrating these five roles is the need of the hour for Karnataka Government.

**Key words:** Consumer Education, Consumer Protection, Consumer Grievance Redress, Consumer Affairs.

### 1.0 Introduction

An educated customer is capable of making right purchase decision and he / she does not fall prey to deceptive marketing campaign of seller. An educated customer safeguards his/her rights by demanding a legal bill after every transaction and also by asking for a bill, help government in better tax collection system. It is very important for any government to create awareness and literacy amongst customer. In country like India where only two third populations has formal education, consumer education becomes all the more critical. Else, customers would be easily exploited by business community. The existing situation in India with regard to literacy level amongst us is not encouraging and large numbers of customers are not aware of their rights & responsibilities even today. They are clueless about various grievance redressal mechanisms in the country. It is high time that Department of Consumer Affairs should take lead and collaborate with Central & State Governments in fostering consumer education endeavors in the country.

Though the first Consumer Protection Board in India was set by the State of Karnataka, nothing significant progress could be made in this state with regard to consumer affairs. While other neighboring states viz. Tamil Nadu, Maharashtra and Andhra Pradesh were marching ahead, Karnataka was crippled with many internal issues which hampered consumer movement in the state. A study to examine role being played by Karnataka Government in promoting consumer education was undertaken and the outcome of this study is presented in this paper.

### 2.0 What is Consumer Education?

In most of the countries Consumer Education is neither described legislatively nor legally. Consumer Education is the process of getting requisite skills & knowledge by an individual so that he/she can make use of consumption opportunities presented in our consumer society (Wells and Atherton, 1998).

### 3.0 Literature review

Consumers are not really empowered in terms of equipping them in creating better value and engineer innovation. Large number of consumers does not have requisite skills to make right consumer decisions for themselves, for their families and the larger global community (Martin Coppack & Carol Brennan, 2005). However, in the International area Government's interest in consumer empowerment is slowly gaining importance in policy as well as strategy documents (Carol Brennan & Martin Coppack, 2008). Most of the consumer problem comes due to low income and low education level. Better consumer education could be realized only by improving the literacy level of citizens (Aurelia Toyer, 1968). Consumer Education leads to better decision-making in the market place and also generate higher customer satisfaction (Gerald G. Udell, 1974).

In future, customers will go through different phases of socialization process which in turn will help them in stating their needs and wants to seller clearly. They will spend more time in consumer education (Bloom Paul, 1976). Addressing product-specific consumer requirements will soon become obsolete. We should ensure consumer education is full-fledged and covers all the stages (J N UHL, 1970). Consumer educators need to understand the historical roots of the present trend to create a holistic picture for future directions in consumer education (Frederick W. Langreh & J. Barry Mason, 1977). While drafting consumer education one should consider local region, its cultural practices and its past history (Jette Benn, 2002).



There is absolutely no need to reinforce costly lessons about the form and content of consumer education programs at any government level (Michelle L Slagle, 1985). Government agencies and Voluntary Consumer Organizations are required to change their views about consumer education. They should value intangibles more than tangibles by building long-term relations with all important stakeholders (Myrna P. Mandell & Robyn Keast, 2007). There is need for cross-collaboration between government, business and NGO's to address critical public issues and bring rapid change in the society (R. Scott Fosler, 2001).

Government departments should make concerted efforts in increasing enrolments & budgets for consumer programmes (Cathleen D. Zick & Richard Widdows, 1995). Social networking platforms may be used effectively to facilitate consumer learning (Ulrika Josefsson & Agneta Ranerup, 2003). If consumers are part of policy development, they can design effective consumer education policy. Also, it develops the consumers' ability to articulate their needs (John W. String fellow & Kathy D. Muscari, 2003)

#### **4.0 Karnataka Government's interventions in strengthening consumer affairs in the state.**

Though every government department in their service delivery are expected to ensure satisfaction of their service recipient and also educate them about their services, the only department which is legitimately connected with consumer affairs including consumer education in Karnataka is Department of Food, Civil Supplies and Consumer Affairs. As per the provisions in Consumer Protection Act, 1986 Consumer Dispute Redressal Forums have been set up in all the 30 districts and Karnataka State Consumer's Dispute Redressal Commission has been set up in the state capital Bengaluru. Consumers can file complaints before the state commission / or district forums if they found any defects / deficiencies in the goods / services purchased. Consumer Guidance Cell has been established in head office of the department to create awareness about consumer rights and to provide guidance with regard to any consumer related issues. Every year the department celebrates "World Consumer Rights Day" on 15<sup>th</sup> March and "National Consumer's Day" on 24<sup>th</sup> December. Consumer Clubs in schools are set up across the state to create awareness among students of middle/high school level. 'Grahak Adalat' are being arranged to create awareness about rights and duties of the consumers in rural areas. District Consumer Information Centres (DCICs) are being set up in all 30 districts of the state.

The department has recently set-up a 'Think-Tank' which is expected to give directions to all consumer awareness endeavors by the department. To sensitize students on consumer issues, chapters on consumer affairs are being introduced in school curriculum. The Karnataka chapter of Indian Institute of Public Administration (IIPA) has set-up 'Centre for Consumer Studies' on the same lines as the one available in IIPA, New Delhi. Many active Voluntary Consumer Organizations in Karnataka are part of this centre. This centre has already made a good beginning by undertaking various consumer related activities across the state.

### **5.0 Research Methodology**

#### **5.1 Objectives of the study**

The primary objective of the study is to analyze the role being played by Karnataka Government with regard to consumer education. Others objectives include (a) to study efforts being made in all the 30 districts of Karnataka with regard to consumer education (b) to study the performance of government against different categories of roles considered in this study (c) to suggest ways and means to take consumer education endeavors in the state forward.

#### **5.2 Scope of the study**

The different categories of roles considered in this study includes (a) Role 1: assessing the existing situation (b) Role 2: developing resources and making necessary preparations/plan for consumer education (c) Role 3: disseminating all pertinent / relevant information (d) Role 4: evaluating the effectiveness of consumer education endeavors carried out in the state (e) Role 5: associating / collaborating with concerned stakeholders.

Also, only the roles being played by Department of Food, Civil Supplies and Consumer Affairs are considered in this study.

#### **5.3 Data Collection**

Secondary data has been drawn from reputed journals like 'International Journal of Consumer' Studies, 'The journal of Consumer Affairs' etc. ; publications / reports by well known organizations like IIPA, New Delhi, CERC, Ahmedabad, VOICE, New Delhi, CREAT, Bangalore, NLS, Bangalore etc.; consumer related magazines ; news paper articles ; relevant websites etc.

Primary data has been collected from (1) Deputy Directors, Department of Food, Civil Supplies and Consumer Affairs working across 30 districts in the state and (2) Joint Director, Commissioner Office, Department of Food, Civil Supplies and Consumer Affairs, Bangalore by filing RTI application (under Right to Information Act, 2005).



#### 5.4 Sampling Method and Size

As already mentioned above, the only legitimate government department connected with consumer affairs including consumer education is Food, Civil Supplies and Consumer Affairs Department. As data has been collected from this department present in all the 30 districts of Karnataka and also from department's head office in Bangalore, the sampling method here in this study is Census Study and the sample size is 31.

#### 6.0 Findings

Due to nature of primary data collection method i.e. by filing RTI application, the research scholar could not get a detailed questionnaire filled from the respondents. However, details about consumer awareness / education activities in Karnataka State as whole and different districts since 2001 was sought through an open ended question. The responses collected thereof from different districts as well as from head office were computed under 5 different categories of consumer education roles considered in this study. The qualitative data thus collected were quantified and thereby presence of consumer education activities across different districts in Karnataka was tabulated as shown in Table 1.0.

Table 1.0 clearly reflects the performance of Karnataka Government in terms of its efforts in promoting consumer education across its 30 districts from past 10 years. The performance as per this study is not satisfactory. Though consumer affairs being a priority area for Government of India, it has not got its due importance and focus in the State of Karnataka.

The top 10 districts which are active in terms of consumer education activities are:

- (1) Dharwad (2) Shimoga (3) Bellary (4) Bijapur (5) Chikballapur (6) Chitradurga
- (7) Dakshina Kannada (8) Mandya (9) Chikmagalur (10) Mysore & Udupi

**Table 1.0: Presence of consumer education activities across different districts in Karnataka**

District	Presence of consumer education activities (%)
Dharwad	57%
Shimoga	38%
Bellary	33%
Bijapur	33%
Chikballapur	33%
Chitradurga	33%
Dakshina Kannada	33%
Mandya	33%
Chikmagalur	29%
Mysore	29%
Udupi	29%
Bagalkote	24%
Bangalore Urban	24%
Belgaum	24%
Davanagere	24%
Kodagu	24%
Koppal	24%
Tumkur	24%
Uttara Kannada	24%
Yadgir	24%
Gadag	19%
Kolar	19%
Ramanagara	19%
Bangalore Rural	14%
Bidar	14%
Chamrajanagara	14%
Gulbarga	14%
Hassan	14%
Haveri	14%
Raichur	14%

Source: Response from Deputy Directors of Food, Civil Supplies and Consumer Affairs Department, Government of Karnataka



The performance of Karnataka Government in terms of role being played under different categories of roles considered in this study is given below in Table 2.0

**Table 2.0: Role being played by Government with regard to consumer education.**

Role	Name	label	Activities	percent
Role 2	Development role	V2	Set-up consumer clubs in school	30%
		V3	Consumer Protection Parishat	7%
		V4	Fund schools for consumer education activities	3%
		V5	Training programs for consumer educators	3%
Role -1	Assessment role	V1	Empirical consumer related studies	3%

Role	Name	label	Activities	percent
Role 3	Dessimination al role	V6	Celebrate national and world consumer rights days	100%
		V7	Awareness Programs - seminars/workshops/lectures	100%
		V8	Distribute print materials (books, pamphlets, handouts etc)	100%
		V11	Banners / flexs in public places	23%
		V9	Help desks / demo sessions	17%
		V17	competition for students	17%
		V15	Jathas / Processions	13%
		V18	Important consumer court decisions made public	10%
		V10	Interactive sessions / open house	7%
		V13	AhaarAdalat	7%
		V14	Street Plays	7%
		V12	Wall writings	3%
V16	Consumer Information Centre	3%		

Role	Name	label	Activities	percent
Role 5	Collaborative role	V21	Tie-up with schools/ colleges for consumer education	33%
		V19	Tie-up with other govt. depts. for consumer education	20%
		V20	Tie-up with VCOs for consumer education	20%

Source: Primary data analysis

It is found in this study that among 5 consumer education roles considered, government's performance with regard to role 3 i.e. Dessimination Role is comparatively better. In all the 30 districts World & National Consumer Rights Day are being celebrated every year, awareness programs are being organized and print materials on consumer issues are being distributed to citizens.

Before commencing any educational endeavors it is very important to assess & understand the existing situation. Such assessment will help in planning educational programs and gives necessary directions. Government's performance with regard to this (role 1) is highly insignificant. Except for conducting some research studies (only 3% districts), nothing significant work has been done so far in Karnataka. Though this role is very critical for laying foundation to other roles, not much work has been done in this direction. With regard to role 2, again the government's performance is not satisfactory. Some effort has been made in setting up consumer clubs in schools and colleges. However, these efforts have not brought any fruitful results as most of the consumer clubs in the state are inactive or not delivering as expected.



With regard to role 4, i.e. evaluative role government has made no effort so far. Until and unless a proper evaluation of consumer education endeavors undertaken in the state are done, we will not be able to assess the effectiveness of the programs. Such evaluation exercise will lay foundation for future consumer education programs.

Government's effort in collaborating with different stakeholders for consumer education activities (role 5) in Karnataka has been average. Except for tie-ups with schools and colleges (33% districts), association among various government departments (20% districts) and collaboration with Voluntary Consumer Organizations (20% districts) no serious engagement is on records so far. Such collaborations and associations are need of the hour to strengthen consumer education endeavors in the state.

### **7.0 Action agenda for Government**

- 1) Even though consumer affairs is one of the priority areas of Government of India, Karnataka has not yet formed a separate/exclusive department to deal with consumer affairs in the state. In Karnataka Food & Civil Supplies department has been entrusted with the additional responsibility of consumer affairs. However, this department devotes most of the time and energy to deal with Food and Civil Supplies, particularly Public Distribution System (PDS), rather than consumer issues. One of the major reasons for the gaps identified in this study is lack of committed efforts from government in promoting consumer affairs in the state. It is high time that government forms a separate department / ministry to deal with consumer affairs, with a clear mandate for consumer education activities. The roles and responsibilities of the concerned government officials must be clearly stated in the Citizens Charter.
- 2) The government does not have any framework or plan to carryout consumer education activities in the state. Because of this, whatever little work government has made with regard to consumer education, the reach and impact are not satisfactory. The government must interact with customers, business houses, voluntary consumer organizations, consultants, academicians etc. and develop a comprehensive plan to take consumer education endeavors in the state forward. 'Think Tank' recently constituted by Food, Civil Supplies and Consumer Affairs Department must take lead and develop the plan containing outcome based activities. Else, the consumer education programmes would continue to be sporadic and the gaps as identified in this study persist.
- 3) Effort with regard to consumer education must not be limited to mere dissemination of some information through workshops / seminars etc. The roles to be played by Government (also VCOs) must be holistic. The five roles considered in this study are not just representation of this holistic perspective, but also it is a systematic approach to deal with issues connected with consumer education. Before embarking on executing consumer education programs, an assessment of consumer education premise in the state must be carried out. Once it is done, based on the findings, necessary resources must be developed. Then, dissemination of content must be undertaken. This should be followed by evaluation of consumer education programs undertaken in the state. During course of this entire effort, Government must collaborate with all other stakeholders to ensure better reach and impact.
- 4) Government must make concerted efforts in bringing all the active consumer organizations together. Some efforts were made by few consumer leaders earlier. However, so far nobody has been successful in this direction. This has lead to disjoint approach towards consumer education in the state, making the sum total of everybody's efforts ineffective. Through some system, the government should bring all the stakeholders under one platform so that there is some harmony among the consumer educators. This will also help in standardizing the development and delivery of consumer education content.
- 5) Many reports suggest significant percentage of Karnataka's population is youth. It is a well known fact that today's youngster are highly technology savvy. And Bangalore is considered to be the Silicon Valley of India. In spite of this, government has not employed Information and Communication Technology (ICT) effectively to strengthen consumer protection and welfare in the state. Dynamic websites, social media platforms, mobile apps etc must be used effectively to educate consumers in the state.
- 6) It is found in this study that government is not making any efforts in evaluating the effectiveness of various consumer education programmes undertaken in the state. The Department of Food, Civil Supplies and Consumer Affairs releases money every year to all its administrative wings in different districts of Karnataka for consumer education / awareness activities. Similarly, this department funds Schools, Colleges, VCOs etc from 'Karnataka State Consumer Welfare Fund' to undertake projects / programmes for consumer education. Getting fund utilization certificate / or report from the recipient of funds will not suffice. Every programme or project must be evaluated in terms of whether such activities are making any impact and if so to what extent. Government must fund only outcome based projects / programmes which could be easily measured.





- 7) It is clear from the findings of this study that, only in one district i.e., Dharwad, the presence of consumer education activities is more than 50%. Only 11 districts could cross 25% in this regard. This shows most of the districts in Karnataka are not active in terms of consumer education activities. When district administrators are not making any serious efforts to educate consumers, the concerned ministry or department must give directions or orders to district officials to take up consumer education programmes in their respective districts compulsorily. Such forceful approach may give the much required momentum to consumer education activities in the state.

## 8.0 Conclusion

Consumer affair is one of the priority areas of Government of India. The degree of customer satisfaction in the market place is considered to be one of the indicators of good governance. The best way to protect the consumer is through education. The State of Karnataka which made a good beginning in terms of consumer protection many years back subsequently lost focus as well as leadership in strengthening consumer movement in the state. Consumer education activities carried out across different districts of the state are highly sporadic and with less impact. It is high time government adopts methodical approach towards consumer education. The five consumer education roles considered in this study i.e. assessment, development, dissemination, evaluation and collaboration are not just different dimensions of consumer education but are very logical components of it. Performance of Karnataka Government with regard to these five roles across its 30 districts has not been encouraging. Only by fitting these five roles in its scheme of things the government can realize its consumer education goals.

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